



## Intelligence Community

## INTELLIGENCE AGENCIES UNDER FIRE FOR WATERGATE ROLE

To many Americans, the most serious aspect of the Watergate scandal—apart from the President's possible involvement—was the misuse of the nation's various intelligence agencies for partisan political purposes. And to many others, the most ominous aspect of the Watergate affair was the extent of domestic surveillance—spying, bugging, wiretapping, breaking and entering, data gathering—on individual citizens. For it is this attempted corruption of the intelligence function in a free democratic society that has led some observers to equate Watergate, at least in its ultimate intent, with the imposition of a police state.

In the past, the intelligence community has most often been subject to criticism for lack of public accountability—for becoming an “invisible government” or “secret establishment.” Today, ironically, the attack is for the opposite reason—for becoming too directly responsive to the White House. The CIA and the FBI have been tainted by Watergate disclosures and some military intelligence units have been implicated. The CIA apparently took part in domestic operations—a violation of its legal charter—and the FBI was accused of playing politics in law enforcement—a violation of the spirit, if not the letter, of the law. Many members of the intelligence community are reported to have been left shaken by this perversion of their agencies. The most likely outcome will be a thorough review of intelligence activities and closer scrutiny in the future.

America's intelligence community is a diverse collection of agencies, most of them shrouded in secrecy, which may employ 100,000 to 150,000 persons and spend \$5 billion to \$6.2 billion annually.<sup>1</sup> Their activities are largely unknown to the public and many of their budgets—hidden among those of other agencies—are not subject to the same congressional accounting as are other government institutions. The principal agencies are the Central Intelligence Agency (CIA), the Federal Bureau of Investigation (FBI), the Defense Department's intelligence divisions—Defense Intelligence Agency (DIA), Army, Navy and Air Force intelligence services, and the National Security Agency (NSA)—the State Department's Bureau of Intelligence and Research, and the Atomic Energy Commission (AEC) and Treasury in some of their functions. All are represented on the U.S. Intelligence Board. The CIA director is the board chairman. (Footnotes, p. 65)

### Watergate Revelations

One of the most disturbing of the Watergate disclosures thus far was the Nixon administration's attempt to set up a special unit—with the title of Interagency Group on Domestic Intelligence and Internal Security—to coordinate expanded surveillance of activities within the United States. This effort was referred to on May 22 by President Nixon in a lengthy statement on Watergate

as “the 1970 intelligence plan.” It called for the creation of an “interagency committee” to help provide “better intelligence operations” to deal with campus violence and a rash of terrorist bombings. Nixon said the committee's “specific options for expanded intelligence operations” were first approved on July 23, 1970, but that approval was “rescinded” five days later because of opposition from J. Edgar Hoover, the FBI director, who was chairman of the special committee.

This revelation of the President being overruled by the FBI director was followed by Nixon's statement that “coordination among our intelligence agencies continued to fall short of our national needs.” Accordingly, he said, an Intelligence Evaluation Committee was created in December 1970 after Hoover had ended the FBI's normal liaison with all other agencies except the White House. Nixon emphasized: “I did not authorize nor do I have any knowledge of any illegal activity by this committee. If it went beyond its charter and did engage in any illegal activity, it was totally without my knowledge or authority.”

On June 7, 1973, *The New York Times* published three White House memoranda—all classified “Top Secret”—written by former Nixon aide Tom Charles Huston which outlined the intelligence plan. Nixon had alluded to these on May 22 as “extremely sensitive” documents based on “assessments of certain foreign intelligence capabilities and procedures, which of course must remain secret.” He identified them as the materials which presidential counsel John W. Dean III had removed from the White House and placed in a safe deposit box, giving the keys to U.S. District Court Judge John J. Sirica.

But the documents obtained by the *Times* contained more references to domestic operations than to foreign intelligence, including acknowledgement that parts of the plan were “clearly illegal” and involved “serious risks” to the administration if revealed. “We don't want the President linked to this thing with his signature on paper...all hell would break loose if this thing leaks out,” the newspaper quoted Huston as telling the White House chief of staff, H. R. Haldeman, in a letter.<sup>2</sup> Of the three memoranda, one summarized the report, another informed the heads of major intelligence agencies of the decision approving the committee's recommendations, and a third gave Haldeman background information and proposed a strategy for gaining Hoover's cooperation. The newspaper did not obtain the full report or the complete text of Huston's letter to Haldeman. But the documents that were printed revealed, among other things, that the report had requested:

- Permission for the National Security Agency to monitor communications of U.S. citizens using international facilities, such as overseas telephones and telegraphs.

- Intensification of "electronic surveillance and penetrations" of "individuals and groups in the United States who pose a major threat to the internal security."
- Removal of restrictions on legal and illegal "mail coverage"—recording of mail sent and received by certain individuals and covert opening of mail before delivery.
- Allowance of "surreptitious entry"—breaking and entering—despite the admission that use of this technique is "clearly illegal" and "amounts to burglary."
- Development of more student informers on campuses and increased CIA coverage of American students traveling or living abroad.
- Establishment of a permanent committee to improve domestic intelligence operations because "the need for increased coordination, joint estimates and responsiveness to the White House is obvious to the intelligence community."<sup>3</sup>

The apparent intention was for the Nixon administration to organize and employ at home the same techniques that had been developed and used successfully in clandestine operations abroad. In the memo to Haldeman, Huston wrote: "In the past there has been no systematic effort to mobilize the full resources of the intelligence community in the internal security area and there has been no mechanism for preparing community-wide domestic intelligence estimates.... Unlike most of the bureaucracy, the intelligence community welcomes direction and leadership from the White House."

Although Nixon said the plan was killed after five days because of Hoover's opposition, and although Huston was shortly thereafter dismissed from his job, questions remained about what happened to the plan. No documents have yet been produced verifying its cancellation. And the Intelligence Evaluation Committee—secretly lodged in the Justice Department—was not ordered dismantled until May 31, 1973, although department officials claimed it never had been an operational unit but merely a "clearinghouse" for information. Both the FBI and the Senate Watergate investigating committee<sup>4</sup> are looking into the possibility that parts of the plan were put into operation. After reading the full plan, Committee Chairman Sam J. Ervin Jr. (D N.C.) said that its contents "would be a great shock to the American people if they were released" and that the makers of the plan "had the same mentality employed by the Gestapo in Nazi Germany."

### CIA, FBI INVOLVEMENT

CIA. In his statement on May 22, Nixon said the publication of the Pentagon Papers,<sup>5</sup> which he called "a security leak of unprecedented proportions," led him to organize an investigations unit in the White House. "The plumbers," as these leak investigators came to be known, undertook an investigation of Daniel Ellsberg, who was accused of making copies of the Pentagon Papers available to the press. This effort resulted in the illegal break-in of the office of Ellsberg's psychiatrist, Dr. Lewis Fielding, in Beverly Hills, Calif., by "plumbers" G. Gordon Liddy and E. Howard Hunt, and ultimately the dismissal of charges against Ellsberg and co-defendant Anthony J. Russo.<sup>6</sup> But perhaps more important, this burglary brought about the direct involvement of the CIA.

Gen. Robert E. Cushman Jr., then CIA deputy director (now U.S. Marine Corps commandant), told the

House Armed Services Intelligence Subcommittee that at White House request he supplied Hunt, a former CIA employee, with a disguise (red wig, glasses and a speech-alteration device) and bogus identification papers (driver's license, Social Security card and several association membership cards in the name of Edward Joseph Warren, Hunt's alias).

Cushman further testified that the CIA later gave Hunt a camera hidden in a tobacco pouch and a disguise and identification papers for Liddy. The agency also developed film for Hunt and allowed him and Liddy to use two CIA "safe houses"—secure secret locations—in the Washington area in which to meet and to store equipment. In addition, Cushman continued, the CIA prepared a psychological profile of Ellsberg at White House request—said to be the first such report on an American civilian. But the agency cancelled its assistance to Hunt after five weeks when it learned that "clandestine political operations" were taking place, according to documents made public at the Pentagon Papers trial.

Shortly after the Watergate arrests on June 17, 1972,<sup>7</sup> rumors began to circulate that the CIA was fully responsible for the incident. The discovery that all of the suspects had previous connections with the agency made the story seem credible. In the days immediately after the arrests, according to CIA officials, White House aides asked the agency to assist in the Watergate cover-up. This concerned an FBI investigation of funds for Nixon's re-election campaign that had been routed through a Mexican bank ("laundered") to conceal the identity of the donor. The CIA was asked to say that the investigation in Mexico would interfere with covert CIA operations. Richard M. Helms, who was then CIA director, indicated that he felt such an investigation would not interfere.

However, the CIA deputy director, Lt. Gen. Vernon Walters, told of a meeting at the White House on June 23, 1972, at which Haldeman was quoted as telling CIA representatives that the investigation "was leading to a lot of important people and this could get worse," and that President Nixon wanted the inquiry stopped. Walters said Haldeman told him to personally ask FBI Acting Director L. Patrick Gray III that the probe not be pursued in Mexico. Haldeman and Ehrlichman disputed this version of the meeting in depositions they filed in court.<sup>8</sup> CIA officials stuck to their account, and on June 4, 1973, *The New York Times* published a series of memoranda written by Walters after each of the meetings which seemed to confirm his version of what was said.

One Walters memo stated that Dean had suggested that the CIA provide bail for the Watergate defendants and pay them the equivalent of salaries if they went to prison. Another memo indicated that Walters raised the possibility of blaming Watergate on Cuban patriots. The memos disclosed that Walters made an effort all along to cooperate with the White House cover-up attempt, although he said he did not have the authority to make some decisions that were asked of him. Dean told the Senate Watergate committee that Walters had gotten his job at CIA because he was a "good friend"—that Ehrlichman said the White House wanted to "have some influence over the agency."

Helms told the Senate Armed Services Intelligence Subcommittee that he "wanted to stay as head of the agency and keep it out of all this." But there was evidence that his reputation had been damaged by the scandal.

He remained silent through the 1972 election campaign even though, he acknowledged, he knew of the effort to manipulate his agency for partisan political purposes. In one of the 1970 intelligence plan memos, Huston wrote: "I went into this exercise fearful that CIA would refuse to cooperate. In fact Dick Helms was most cooperative and helpful." In the long run, Helms evidently was not cooperative enough. Nixon relieved him in December 1972 as CIA director and named him as ambassador to Iran. He has refused to discuss publicly the reason for his removal, but there has been press speculation that it was his lack of enthusiasm for White House attempts to control the CIA.

**FBI.** Under Gray, the FBI apparently became entangled in the Watergate affair to an even greater extent than did the CIA. Gray was named acting director by Nixon in May 1972 upon Hoover's death and later was nominated for the permanent directorship. His nomination was withdrawn in April 1973 after lengthy hearings by the Senate Judiciary Committee indicated that rejection lay ahead. During the hearings, Gray admitted that he had turned over FBI files on its Watergate investigation to Dean and he conceded that Dean probably lied to the bureau in one instance.

Gray's personal involvement deepened when on April 26 the *New York Times* reported that in July 1972 he had destroyed documents belonging to Hunt under orders from Ehrlichman and Dean. Gray immediately announced his resignation as acting director. One dossier, according to the newspaper, included phony State Department cables fabricated by Hunt to implicate President Kennedy in the assassination of South Vietnamese President Ngo Dinh Diem, and another contained materials on the 1969 automobile accident involving Sen. Edward M. Kennedy (D Mass.) at Chappaquiddick Island.

But revelations of the FBI's involvement were not over. William D. Ruckelshaus, who had become acting director, revealed at a news conference on May 14 that records of 17 wiretaps of newsmen and government officials had been found in Ehrlichman's White House safe. Ruckelshaus said the records had been removed from FBI files in September 1971 by former agent William C. Sullivan and transferred to the White House out of fear that Hoover would use them to blackmail the Nixon administration. The same day, *The Washington Post* reported that Gray had been warned by other FBI officials that the White House was trying to cover up the Watergate scandal but that Gray had claimed he could not relay the warning to Nixon because it would be "improper" to involve the President in an FBI investigation.

Hoover received *post mortem* press praise for his resistance to politicization of the bureau but, ironically, it appeared that if Hoover had cooperated the special White House Watergate team might never have been formed. In any case, some elements of the far-reaching domestic intelligence plan apparently became effective despite Hoover's opposition to White House pressure. In particular, the FBI increased surveillance of black militant groups and New Left organizations. In addition, FBI offices were opened in 20 foreign countries to investigate alleged involvement of radical students with unfriendly governments—despite CIA jurisdiction over operations abroad. Some believe that Hoover's objections to the 1970 intelligence plan were not concerned with

principles but with public relations. A person identified as a longtime FBI man and Hoover loyalist was quoted as saying: "For Mr. Hoover, jurisdiction was paramount. He didn't object to clandestine entries. We opened mail but we never talked about it or wrote memos. We cracked safes when we felt it was a case of compelling national security. Hoover's law as that you didn't get caught and bring embarrassment on the bureau."<sup>9</sup>

## History of Intelligence Services

Intelligence operations have had a long and influential, if little-known, history. Richard W. Rowan wrote in his encyclopedic history of intelligence, *Secret Service* (1967): "Spies and speculators for thirty-three centuries have exerted more influence on history than on historians." Indeed, spying is an ancient function, and the importance of intelligence information to civil and military strategy and decision-making is a concept as old as government itself. In 500 B.C., the Chinese military theorist Sun Tzu, in an ageless treatise on spying called *Roots of Strategy—Art of War*, stated: "Knowledge of the enemy's disposition can only be obtained from other men. Hence, the use of spies."<sup>10</sup> The Bible records that God instructed Moses to send out agents "to spy out the land of Canaan" (Numbers 13:20), and the provocative tradition of women in intelligence later was begun by Rahab, the harlot of Jericho, who sheltered the spies of Israel (Joshua 2:1). "The pattern of history suggests that aggressive, expansionist societies have the best organized intelligence systems," wrote Professor Harry Howe Ransom of Vanderbilt University, one of the most respected contemporary analysts of intelligence.<sup>11</sup>

The creation of a systematic, institutionalized intelligence service in modern times is widely credited to Frederick the Great of Prussia, who transformed the haphazard intelligence-gathering operations of the 18th century into a general military staff function. By the late 19th century, Europe had become a network of spies. Even so the United States inherited almost no semblance of organized intelligence, relying for many years on diplomats and military attaches for foreign information. The Revolutionary army's spy network was an informal, rag-tag operation. Both sides employed spies during the Civil War, but they were largely ineffectual. By its own official history, the U.S. Army was "slow to recognize the importance of military intelligence and backward in its use in the solution of military problems."<sup>12</sup>

World War I brought about the first significant expansion of U.S. intelligence activity, as the Army's Military Intelligence Division staff grew from a small handful to some 1,200 during the war. It was cut back severely during the isolationist years between the two world wars, however, largely because of congressional skepticism and the lack of emphasis in State, War and Navy Departments on peacetime intelligence. But on Dec. 7, 1941, all that ended.

## CENTRAL INTELLIGENCE AGENCY

It is generally agreed that the CIA traces its beginnings to the gross intelligence failure that made the surprise Japanese attack on Pearl Harbor possible. The at-

tack resulted not so much from faulty intelligence as from the lack of an agency to evaluate intelligence. Many warnings of the imminent assault were received but ignored because officials did not believe that such a mass attack was within Japanese capabilities.<sup>13</sup> President Roosevelt in July 1941 had asked Col. William J. Donovan to set up a new intelligence service for possible wartime use. "You'll have to start from scratch. We don't have an intelligence service," FDR told Donovan. First called the Office of the Coordinator of Information, the service was transformed in 1942 into the Office of Strategic Services (OSS). Originally intended to supplement intelligence-gathering activities of the military, the OSS under the imaginative leadership of "Wild Bill" Donovan quickly gained a reputation for derring-do such as parachuting spies behind enemy lines. Critics sometimes claim that if the OSS had supplied one-third the intelligence that it did anecdotes, the war would have been over sooner.<sup>14</sup>

Soon after the war, President Truman abolished the OSS. But the need for intelligence continued, and in January 1946 Truman issued an executive order establishing a successor to the OSS and a precursor to the CIA—the Central Intelligence Agency. The new body operated under an executive council called the National Intelligence Authority, consisting of the secretaries of state, war, navy and the President's personal military adviser. At first it was primarily a coordinating group which prepared daily intelligence summaries for Truman, but it also was authorized to perform special intelligence services under the direction of the executive council or the President. The first director of Central Intelligence was Rear Adm. Sidney W. Souers, succeeded in five months by Air Force Gen. Hoyt S. Vandenberg, who gave way in May 1947 to Rear Adm. Roscoe H. Hillenkoetter.

During lengthy postwar debate in Congress on military reorganization, the form of congressional legislation on intelligence took shape. The National Security Act of 1947, which placed the armed services under a new Department of Defense, also created both the Central Intelligence Agency and the National Security Council.<sup>15</sup> (Box, this page)

But it is clear from the hearings on the 1947 act that no one knew exactly what the nature of the new beasts would be. Rep. Fred E. Busbey (R Ill.) once asked Navy Secretary James V. Forrestal: "I wonder if there is any foundation for the rumors that have come to me to the effect that through this Central Intelligence Agency they are contemplating operational activities."<sup>16</sup> It was a crucial question, but the congressman received a vague reply. David Wise and Thomas B. Ross stated in their revealing examination of the CIA, *The Invisible Government* (1964): "It is doubtful that many of the lawmakers who voted for the 1947 act could have envisioned the scale on which the CIA would engage in operational activities all over the world."

The growth of the CIA in size and scope parallels the development of the Cold War, and the agency's early leaders were military men. Admiral Hillenkoetter remained as director until 1950, when he was replaced by Army Gen. Walter Bedell Smith. The agency became more aggressive internationally under Smith, but the man who was to put his stamp on the CIA was a civilian, Allen W. Dulles, who was named director by President Eisenhower in 1953. The younger brother of Secretary of State John Foster Dulles, Allen Dulles changed intelligence

## CIA's Legal Foundations

The 1947 National Security Act gave the CIA five specific statutory duties:

"(1) To advise the National Security Council in matters concerning such intelligence activities of the government departments and agencies as relate to national security;

"(2) To make recommendations to the National Security Council for the coordination of such intelligence activities....;

"(3) To correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the government.... Provided that the agency shall have no police, subpoena, law-enforcement powers, or internal security functions....;

"(4) To perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

"(5) To perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

The 1949 Central Intelligence Act firmly buttoned up the CIA's cloak of secrecy by exempting it from numerous federal laws which governed other agencies. Congress allowed the agency to disregard laws that required "disclosure of the organization, functions, names, official titles, salaries or numbers of personnel employed by the agency." It gave the director power to spend money "without regard to the provisions of law and regulations relating to the expenditure of government funds."

from a shadowy business into a respectable professional career, attracting young and liberal intellectuals from all over the nation to join the agency. Personally, Dulles was a colorful figure who received wide coverage in the press despite the CIA's intended secrecy and gained an almost legendary reputation as America's "master spy." "There is something about intelligence that seems to get into the blood," he once remarked.<sup>17</sup>

During the 1950s, the CIA expanded its activities in the realm of covert political operations. It did this not under the 1947 or 1949 acts, but through a number of super-secret National Security Council intelligence directives which Ransom calls "the real operating constitution" of the CIA and which "only a few high government officials have ever seen."<sup>18</sup> These filled the "loopholes" in the congressional legislation and created what many now call the CIA's "secret charter." Today, through its Directorate of Operations, until this year called the Directorate of Plans, the CIA collects intelligence information and coordinates or engages in extensive secret operations around the world. The other half of the agency, called the Directorate of Intelligence, researches and analyzes the information which is gathered and makes reports to the President and the National Security Council. The agency is believed to have about 18,000 employees and an annual budget of between \$750 million and \$1 billion.

## CIA Covert Activities

1952. Two CIA agents, John T. Downey and Richard G. Fecteau, were captured when their plane was shot down in Communist China as they attempted to drop supplies to teams of Chinese agents which they had helped organize and train. Both have now been released, Downey in March 1973 after more than 20 years in Chinese prisons.

1953. The CIA organized and directed a coup which overthrew the government of Premier Mohammed Mossadegh in Iran and thus kept Shah Mohammed Reza Pahlavi on the throne.

1954. The agency helped overthrow the Communist-dominated government of Guatemala's President Jacobo Arbenz.

1958. A CIA team attempted, unsuccessfully, to bring down the government of President Sukarno of Indonesia by providing insurgents with B-26 bombers and CIA pilots.

1960. A U-2 spy plane flown by CIA pilot Francis Gary Powers was shot down over the Soviet Union by a Russian missile. President Eisenhower took responsibility for the U-2 spy program and a Paris summit meeting with Khrushchev collapsed.

1961. The CIA-directed invasion of Cuba, by a small army of exiles to overthrow Fidel Castro was overwhelmingly repulsed at the Bay of Pigs. It was the Kennedy administration's worst disaster.

1962. CIA began organization, training and support of secret army in Laos to resist the Communist Pathet Lao. The army grew to some 30,000 men and cost \$300 million annually.

1963. The agency advised and worked closely with a group of South Vietnamese generals who staged a coup against President Ngo Dinh Diem in which Diem and his brother Ngo Dinh Nhu were killed.

1964. CIA spent enormous sums to help elect Eduardo Frei as president of Chile over Marxist Salvador Allende. Allende was elected in 1970 despite U.S. efforts to prevent it.

1967. CIA was revealed as having subsidized the National Student Association and having manipulated the group's leadership, as well as channeling funds through several foundation conduits to other business, labor, church, university and cultural organizations.

1970. The agency was suspected of involvement in the overthrow of Prince Norodom Sihanouk of Cambodia.

1971. Staff report of Sen. Stuart Symington (D Mo.) outlined deep CIA involvement in secret war in Laos.

1973. CIA acknowledged that it trained U.S. policemen from about a dozen different police forces in the handling of explosives, the detection of wire-taps and the organization of intelligence files.

## OTHER INTELLIGENCE SERVICES

**Military Branches.** Despite its fame, the CIA is neither the biggest of the nation's intelligence services

nor does it have the largest budget. Those honors fall to the Defense Department, which oversees the multiple intelligence functions of the Defense Intelligence services, the Joint Chiefs of Staff and the National Security Agency. The DIA was set up in 1961 by Defense Secretary Robert S. McNamara to coordinate and eliminate duplication in the separate intelligence units of the three armed services. Although its staff has grown to more than 5,000 and its budget to nearly \$130 million, the DIA still has little independent power and the other three units continue to thrive. In addition, the DIA quietly feuds with the CIA over their roles.<sup>19</sup>

Army intelligence, commonly called G-2, expanded in size during World War II and in prestige after the Korean War. With a staff of some 38,500 and a budget of \$775 million, Army intelligence has been severely criticized in recent years for involvement in domestic surveillance activities. In January 1970, an article in *The Washington Monthly* by former Capt. Christopher H. Pyle about the Army's domestic intelligence operations created a sensation in Congress and led to hearings by Sen. Sam J. Ervin Jr. (D N.C.) as chairman of the Constitutional Rights Subcommittee. The hearings revealed that the Army had some 300 offices and 1,200 agents around the country collecting information on civilian "radicals," "militants," students, politicians and other citizens. The expanded military operations, begun during the Johnson administration, was reported to have compiled vast microfilm files and computerized dossiers on some 25 million individuals.

The Office of Naval Intelligence, with 10,000 personnel and a \$775 million budget, is responsible for gathering information on foreign navies, submarine forces and beach, port and harbor characteristics. It claims to have eliminated spy ships such as the *Pueblo*, captured by North Korea in 1968, and the *Liberty*, attacked and badly damaged in the 1967 Arab-Israeli war. The largest military intelligence unit is the Air Force's A-2, which runs the "spy-in-the-sky" satellite program. It has become perhaps the most important element of the U.S. intelligence effort, employing 60,000 persons and a \$2.8 billion budget, spent mostly on reconnaissance equipment. Fleets of planes retrieve in giant nets the satellite data which is dropped from orbit.

National Security Agency. Among the Defense Department's intelligence agencies, the ultra-secret National Security Agency (NSA) is almost in a class by itself. It is believed to be primarily responsible for "communications intelligence"—making and breaking codes, conducting electronic surveillance, and applying computer technology to the intelligence field. Created in 1952 by a classified presidential directive, the NSA has about 25,000 employees and its budget is estimated at some \$1-billion.<sup>20</sup> "NSA's outposts listen to Soviet pilots flying MIGs over the Soviet Union and to Bulgarian army telex traffic—just to cite two examples," a reporter recently wrote.<sup>21</sup> NSA equipment was on the U-2 spy plane shot down over Russia in 1960. The agency has a huge, \$40-million complex of buildings at Fort Meade, Md., and several branches overseas.

Sen. Milton R. Young (R N.D.), a member of the special Senate Appropriations Subcommittee on Intelligence Operations, has commented: "As far as foreign policy is concerned, I think the National Security Agency and the intelligence that it develops has far more to do with foreign policy than does the intelligence developed



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by the CIA." Ransom believes NSA's potential role is more ominous:

The National Security is a symbol of the pervasiveness of technology. Because it chiefly involves machinery, it has managed to stay on politically neutral ground.... But NSA is a huge, secret apparatus that bears watching, for it could become 'Big Brother's' instrument for eavesdropping on an entire population if '1984' were ever to come in the Orwellian sense.

**Other Major Groups.** Other members of the American intelligence community include:

*Atomic Energy Commission* keeps watch on atomic energy development and nuclear weapons capability of other nations.

State Department's *Bureau of Intelligence and Research*, relatively small (335 employees, \$8 million budget), concentrates on gathering and analyzing information relevant to U.S. foreign policy.

*Treasury Department* has about 150 persons involved in intelligence, mostly obtaining economic and narcotics information.

*Bureau of Customs*, with 800 agents, investigates all smuggling cases except those dealing with narcotics.

*Bureau of Alcohol, Tobacco and Firearms* has some 1,600 agents to investigate illegal traffic in spirits, cigarettes, firearms and explosives.

The new *Drug Enforcement Administration* (DEA), as of July 1, 1973, was placed in charge of all federal narcotics investigations. It will have 2,000 agents and a \$110 million budget during its first year.

*Secret Service* investigates counterfeiters and guards the President and other top federal officials. It was accused during the 1972 campaign of providing the Nixon administration with information on the Democratic nominee, Sen. George McGovern. The agency denied the charge.

*Internal Revenue Service* has some 2,300 agents in its intelligence division and a \$76 million budget. The IRS was pressured by top White House staff members to provide politically valuable tax information to the Nixon administration but, according to memos published June 28, 1973, by *The New York Times*, the agency resisted these efforts.

*U.S. Postal Service* has about 1,750 inspectors looking into postal-law violations on a \$9 million budget.

Still other agencies with intelligence functions: the *Agency for International Development*, the *U.S. Information Agency*, the *Federal Communications Commission*, and the departments of *Commerce*, *Interior*, *Agriculture* and *Justice*.

#### FBI: INTERNAL SECURITY FORCE

Any consideration of the intelligence community must necessarily include the Federal Bureau of Investigation. Primarily responsible for domestic counterespionage, the FBI also has jurisdiction over a wide range of crimes including assassination, bank robbery, kidnapping and interstate auto theft, and is the closest U.S. equivalent to a national police force. The FBI had its origins in Congress's establishment of the Justice Department in 1871. Justice was soon found to have insufficient investigative resources. So Attorney General Charles J. Bonaparte in 1908 set up a small group of special investigators in a

Bureau of Investigation. The bureau's reputation sank steadily in the next 15 years under a succession of corrupt and political attorneys general.

With the appointment of J. Edgar Hoover as director in 1924 the bureau steadily withdrew from political or illegal activities. According to Don Whitehead in *The FBI Story* (1956), Hoover agreed to the job on the condition that the bureau "must be divorced from politics and not be a catch-all for political hacks.... Second, promotions will be made on proved ability and the bureau will be responsible only to the Attorney General." Attorney General Harlan Fiske Stone, who named Hoover to the post, said in 1933 that his appointee had "refused to yield to any kind of political pressure; he appointed to the bureau men of intelligence and education.... He withdrew it wholly from extra-legal activities and made it an efficient organization for investigation of criminal offenses against the United States."<sup>23</sup>

The bureau during the 1930s won its reputation for capturing such "desperadoes" as John Dillinger, "Pretty Boy" Floyd, "Baby Face" Nelson and "Ma" and Fred Barker. In 1935 it was renamed the Federal Bureau of Investigation and in 1936 was given jurisdiction over espionage and sabotage. As the years passed and the gangster threat faded, the FBI turned to such matters as spying and subversion, civil-rights strife, organized crime and political terrorism. Its record during World War II is almost universally regarded as outstanding; with the onset of the Cold War the bureau turned its attention to Communist subversion. The FBI infiltrated the Communist Party U.S.A. so thoroughly that people joked that the party had more FBI informers than bonafide members, but Hoover soon began to stir criticism as being preoccupied with Communists and insensitive to civil rights in the South. Complaints mounted during the 1960s as many argued that Hoover had grown autocratic and vindictive and was long overdue for retirement.

The late Hale Boggs (D La.), then House majority leader, charged in April 1971 that the FBI had tapped his home phone. The allegation was never proved. It was revealed at about the same time that the bureau had monitored conversations of Rep. John Dowdy (D Texas), who was convicted of accepting bribes, and had spied on 1970 Earth Day rallies and on radical leaders. In March 1971, the theft and later publication of documents from the FBI's office in Media, Pa., revealed that the bureau's surveillance activities were much more extensive than had previously been imagined.

But the criticism had a certain irony. In 1963 the FBI had been accused of negligence because it had not notified the Secret Service of Lee Harvey Oswald's presence in Dallas at the time of President Kennedy's fatal visit. Hoover retorted that close surveillance of everyone with a background like Oswald's would amount to "totalitarian security." Then when the FBI expanded its surveillance of political dissidents, as widely demanded in 1963, the bureau was impugned on the very ground that Hoover had warned against.

Although many federal officials have maintained that domestic surveillance of civilians has ceased, the Watergate revelations have brought new questions to bear on that contention. Many now argue that all domestic surveillance activities should be examined in a public forum, and warn that the vast files compiled in the past by the FBI might be subject to misuse by government officials in

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the future.<sup>24</sup> "Perhaps the best clue of all," Thomas Powers wrote in *The Atlantic* in October 1972, "is the 35,000 square feet devoted to domestic intelligence files in the FBI's massive new Washington headquarters. All other crimes will get only 23,000 square feet..."

### Prospect of New Controls

The Watergate revelations about the misuse of the intelligence agencies for partisan political purposes have given rise to new demands for increased controls. Similar demands have arisen at various intervals over the past dozen years, usually following some widely publicized blunder by one of the agencies. But control or reform efforts have been successfully resisted by the intelligence establishment. Not since 1955 when the Hoover Commission Task Force on Intelligence Activities<sup>25</sup> was set up, has there been a comprehensive inquiry into the total intelligence system. Some observers believe such a survey should be made at least every five years. The only detailed official studies of the intelligence community in the past 15 years were directed by leaders of the major agencies.

Since it is the most controversial of the intelligence agencies, the CIA has been the focus of most control efforts. Any thorough reforms, however, would no doubt have to encompass all of the intelligence community. The interplay—and even competition—between the various branches is what gives the community its strength, many believe. Some of the most dramatic demands for reform have come from former CIA agents. Victor L. Marchetti, a CIA employee from 1955 to 1969, resigned in objection to what he called militarization, politicization, duplication and waste in the intelligence establishment and to increasing CIA involvement in domestic affairs. Marchetti said that as the Cold War fades, "there'll be a great temptation for these people (CIA leaders) to suggest (domestic) operations and for a President to approve them or to kind of look the other way." "You have the danger of intelligence turning against the nation itself, going against 'the enemy within,'" he told a reporter in 1971.<sup>26</sup>

Marchetti attempted to publish a book about the CIA, but the agency obtained a court injunction prohibiting its publication on the ground it would violate the security contract which Marchetti signed when he was first employed. The Supreme Court in December 1972 let the injunction stand after an appeal on Marchetti's behalf. Nevertheless he has written numerous articles about his former employer: "It's not a matter of reforming the CIA. The need is to reform those who govern us, to convince them that they must act more openly and honestly, both with the people whom they represent and with the other nations of the world.... The CIA is only an agency; but secrecy, like power, tends to corrupt."<sup>27</sup>

One notable effort to reform the CIA came after the abortive Bay of Pigs invasion in 1961. President Kennedy told a high official in his administration that he wanted "to splinter the CIA in a thousand pieces and scatter it to the wind" after the Cuban debacle. He ordered a thorough investigation of the agency, replaced Allen Dulles with John A. McCone and directed that ambassadors once again assert their supremacy over CIA personnel in foreign countries. But after the rigorous inquiry was completed, JFK dropped his plan to break

up the CIA or limit it to intelligence gathering and shift clandestine operations to the Defense Department. The only significant outcome of the study was an order that sizable military operations be left to the Pentagon.

Ransom makes several suggestions for reform in his study of the intelligence establishment. He believes the CIA's covert operations branch should be separated from its research and analysis section. This combination "has made it patently impossible to maintain secrecy for that which ought to be secret; has made it difficult to recruit high-quality personnel for research and analysis; and has prompted serious duplication had conflict in some overseas operations," Ransom wrote. But he also stated: "Beyond a certain point the secret agent, whether spy, secret propagandist, or guerrilla warrior cannot be controlled. To set loose expensive networks of secret agents is to open a Pandora's box of potential blunders, misfortunes, and uncontrollable events."

### NEW QUESTIONING OF CIA

President Nixon intended to make major changes at the CIA when he installed James R. Schlesinger as director in February 1973, succeeding Helms. Schlesinger, former Atomic Energy Commission chairman, had written a lengthy intelligence reorganization plan when he was in the Office of Management and Budget in 1971. Late that year, Nixon ordered the various agencies to reduce duplication and make more economical use of their resources, but interagency rivalry impeded improvement. Schlesinger was under orders to reduce personnel—perhaps by as much as 10 per cent—eliminate obsolete functions and shake up high-level management to increase efficiency. But Schlesinger was in office only a few months before he was named Secretary of Defense. William E. Colby, a career CIA official, was chosen to succeed him.

Testifying on his nomination July 2 before the Senate Armed Services Committee, Colby said he would insist that the CIA refrain from domestic intelligence activities and limit its clandestine political operations abroad. He also said he would resign rather than do anything illegal. The main criticism of Colby has resulted from his supervision in Vietnam of the controversial Operation Phoenix, which was the darker side of the "pacification" program which he also headed between 1968 and 1971. Phoenix was designed to neutralize the Viet Cong "infrastructure" through captures, defections and killings. According to figures which Colby gave a House subcommittee in 1971, Phoenix claimed the lives of 20,587 Vietnamese.

After Colby's testimony on July 2 the committee's acting chairman, Sen. Stuart Symington (D Mo.), the only member present, was enthusiastic in his support of the nominee. Since then difficulties have arisen. Complaints against Colby have been made by at least two former CIA agents, Paul Sakwa and Samuel C. Adams, and the hearing was reopened July 20 to hear still other objections. In a related development, Sen. John C. Stennis (D Miss.), the committee chairman, said the CIA's charter should be reviewed by Congress in view of the agency's domestic activities and its role in Laos.

### PAST OVERSIGHT EFFORTS

Over the years, more than 200 bills and resolutions aimed at making the CIA more accountable to the legis-

lative branch have been introduced in Congress, but none has been approved and only two have emerged from committee. One frequently suggested control technique is creation of a joint congressional oversight committee similar to the Joint Atomic Energy Committee, but opponents of this proposal say that a new committee would provide little additional control and might actually restrict the agency's effectiveness or shield it from those who desired to learn more about its operations. A team of *New York Times* reporters, in an extensive survey of the intelligence community in 1966, observed that while the agency "operates under strict forms of control," the real question was whether there was always "the substance of control." The "overwhelming consensus" of those interviewed was that Congress should not attempt to "control" the agency through the establishment of a new committee.<sup>28</sup>

As for the FBI, numerous officials have expressed a desire to impose greater congressional control over this agency. One of the most recent to speak out was William D. Ruckelshaus, acting FBI director for two months prior to the confirmation of Clarence M. Kelly as permanent director. At an Ohio State University commencement speech on June 8, 1973, Ruckelshaus said that for too long the annual appropriations hearings on FBI budgets have merely rubber-stamped the agency's plans.

Most of those who favor tighter controls over the intelligence community acknowledge a national need for information about real or potential enemies abroad. "Knowledge and information are the most powerful weapons a government possesses in determining its foreign policy," Tad Szulc wrote in the *Washingtonian* magazine. "No modern state, particularly one as important as the United States, can even attempt to conduct foreign policy without the product of intelligence."

But many believe that changing international conditions have decreased the need for certain types of intelligence information and operations while boosting the need for other data, particularly political and economic, rather than military. James Fallows of *The Washington Monthly* wrote recently: "Just because economic changes are not secret, there is a tendency not to take them as seriously as missiles or subversive movements. But they are the most difficult challenge the CIA's analysts will face in the coming years."

### SECRECY VS. DEMOCRATIC VALUES

The central problem is reconciling the conduct of intelligence operations with values of a free democratic society. In theory at least, government secrecy is basically antithetical to democracy and is more characteristic of totalitarianism. So any government agency which operates in secrecy employs totalitarian tactics to achieve its goals. Thus, such organizations inevitably violate the ethics of a constitutional democracy and may undermine due process of law which safeguards democratic rights and liberties.

One who has expressed that argument is Sen. J. William Fulbright (D Ark.). He contends that "fighting fire with fire" is both bad morals and bad policy: "It tends to undermine the very purpose for which it was

undertaken. It has not yet, thank God, made us a police state, but it has brought us closer to it and, what is even more alarming, to greater public acceptance of certain practices associated with a police state—secret policy making, unchecked executive power, subversion of foreign governments, bugging and spying and wiretapping against our own people—than we have ever been in history."<sup>30</sup> In the half-dozen years since those words were written, America has come even closer to this image of a police state. It remains to be seen what effect the Watergate affair will have on continued public acceptance of such tactics by the intelligence community, and what changes the outcome will make in the nation's history.

1 The higher estimates were made by Sen. William Proxmire (D Wis.); the lower figures have appeared recently in *The New York Times*.

2 Quoted by John M. Crowder in *The New York Times*, June 7, 1973.

3 For complete texts of memos, see *Congressional Quarterly Weekly Report*, June 9, 1973, p. 1416.

4 Formally, the Senate Select Committee on Presidential Campaign Activities. The committee opened hearings May 17, 1973.

5 In June 1971, first *The New York Times* and then several other newspapers published excerpts of a 7,000-page *History of the United States Decision-Making Process on Vietnam Policy*. These so-called Pentagon Papers were commissioned in 1967 by Robert S. McNamara when he was Secretary of Defense. The study was classified as "top secret-sensitive" and consisted of a critique of U.S. Indochina policy up till 1968, plus texts of relevant documents.

6 On May 11, 1973, Judge W. Matthew Byrne of U.S. District Court in Los Angeles dismissed charges of espionage, theft and conspiracy against the two and declared a mistrial because of government misconduct. Byrne released a Justice Department memorandum saying that Liddy and Hunt broke into the office to steal medical records about Ellsberg.

7 Five men were arrested that night in the act of breaking into Democratic National Headquarters in the Watergate office-apartment buildings in Washington, D.C. They were Bernard L. Barker, James W. McCord Jr., Virgilio Gonzalez, Eugenio R. Martinez and Frank A. Sturgis. Liddy and Hunt were later implicated in the crime. All seven pleaded guilty or were found guilty at a federal district court trial presided over by Judge John J. Sirica.

8 In connection with a civil suit filed by the Democratic National Committee after the Watergate break-in.

9 Quoted by Laurence Stern, *The Washington Post*, June 17, 1973.

10 Quoted by Sanche de Gramont in *The Secret War* (1962), p. 64.

11 *The Intelligence Establishment* (1970), p. 49. Ransom's comprehensive volume is an updated version of an earlier book, *Central Intelligence and National Security* (1958).

12 Department of the Army, *American Military History 1607-1953* (1956), p. 491.

13 When Secretary of the Navy Frank Knox got word of the attack, he exclaimed: "My God, this can't be true. This must mean the Philippines."

14 The OSS has no published, official history. Among the more reliable books about its activities are Corey Ford's *Donovan of OSS* (1970) and Robert H. Alcorn's *No Banisters, No Bonds* (1965).

15 See *Congressional Quarterly's Congress and the Nation*, Vol. 1 (1963), pp. 247-249.

16 House Committee on Expenditures in the Executive Departments, hearings on the National Security Act of 1947.

17 For Dulles' views on his career, see his book *The Craft of Intelligence* (1963).

18 Ransom, *op. cit.*, p. 89.

19 One of the best recent books on the intelligence community reveals much about DIA activities: Patrick J. McGarvey's *CIA: The Myth and the Modesty* (1972).

20 Little documented information exists on the NSA, but one useful book is David Kahn's *The Code Breakers* (1967). In 1960, two NSA employees, Bernon F. Mitchell and William H. Martin, defected to Russia and released a detailed statement on the organization and operations of the agency.

21 Tad Szulc, "The Great American Foreign Policy Machine," *Washingtonian*, June 1973, p. 114.

22 Ransom, *op. cit.*, p. 133.

23 Quoted by Alpheus T. Mason, *Harlan Fiske Stone: Pillar of the Law* (1956), p. 152.

24 See "Future of the FBI," *Editorial Research Reports* 1971, Vol. 1, pp. 473-479.

25 Headed by Gen. Mark W. Clark, the commission conducted an extensive survey and produced two reports. One, concerning organizational aspects, was made public; the other, dealing with operations, was classified top secret.

26 Edward K. DeLong of United Press International, as quoted in *U.S. News & World Report*, Oct. 11, 1971, p. 78.

27 *The Nation*, April 3, 1972, p. 433.

28 *The New York Times*, April 28, 1966. The reporting team included Tom Wicker, Max Frankel, John Finney and E. W. Kenworthy.

29 James Fallows, "Putting the Wisdom Buck Into Intelligence," *The Washington Monthly*, June 1973, p. 17.

30 "We Must Not Fight Fire With Fire," *The New York Times Magazine*, April 23, 1967, p. 27.